



**United States Department of Justice
United States Attorney's Office
District of Minnesota**

**Frank J. Magill,
Acting United States Attorney**

David Anderson, Public Affairs Specialist
(612) 664-5684; cell: (612) 730-2251

News Release

FOR IMMEDIATE RELEASE
Monday, Jan. 28, 2008

HUD, EPA AND U.S. ATTORNEY IN MINNESOTA ANNOUNCE LEGAL SETTLEMENT WITH MINNEAPOLIS AND ST. PAUL LANDLORDS

WASHINGTON— The U.S. Attorney's Office for the District of Minnesota, the U.S. Department of Housing and Urban Development and the U.S. Environmental Protection Agency today announce a legal settlement with nine Twin Cities property owners and one property management company. The government alleges these landlords failed to inform tenants that their homes might contain potentially dangerous levels of lead in violation of the federal disclosure rules.

This settlement will result in the complete elimination of all lead-based paint hazards in 179 apartments in the Minneapolis and St. Paul region, with those units containing children 6 years of age or younger or pregnant women being completed first. Two properties, containing 113 units, tested under this settlement were found to be free of any lead-based paint (see attached list). The case was handled by Assistant U.S. Attorney Greg G. Brooker.

In addition to paying substantial funds to make these rental units lead-safe, the landlords will pay a civil fine of \$7,500 for violating the federal disclosure law and will spend another \$50,000 working on a Child Health Improvement Project (CHIP) to replace windows in at least 35 low- and very-low income, owner-occupied homes with children under age 6 in the Thomasdale, Rice Street, and Lower East Side of St. Paul. The landlords will also notify tenants of lead hazards immediately and comply with the *Lead Disclosure Rule* in the future.

"This agreement is another important step toward eliminating childhood lead poisoning by reminding all landlords that they have a responsibility to disclose possible lead hazards to their tenants," said HUD Deputy Secretary Roy A. Bernardi. "Working closely with the U.S. Attorney's Office in Minneapolis and our partners at the EPA, HUD can be a force to end this completely preventable disease."

“EPA has the ambitious goal of eliminating childhood lead poisoning by 2010,” said EPA Region 5 Administrator Mary A. Gade. “Today’s agreement brings that goal closer to reality for the children of Minnesota.”

The settlement announced today is the seventh such agreement in Minnesota that requires landlords to eliminate all lead-based paint or lead-based paint hazards in their rental units. As a result of these agreements, more than 5,000 rental units in Minneapolis and St. Paul, including some units in Wisconsin, South Dakota, and Indiana, will be made lead-safe for tenants. Moreover, the landlords involved in these seven settlements will have spent nearly \$4 million to make their rental units lead-safe, paid civil fines of \$44,500 and provided \$220,000 for local CHIP projects, including funding a mobile lead poisoning screening vehicle called the “Leadie Eddie Van.” The “Leadie Eddie Van” is now fully equipped and being used to screen children for lead poisoning throughout Minnesota.

Background

In 2001, HUD launched a comprehensive investigation of landlord compliance of the Department’s *Lead Disclosure Rule* in Minneapolis. *The Residential Lead-Based Paint Hazard Reduction Act of 1992* and the *Lead Disclosure Rule* implementing the Act require home sellers and landlords of housing built before 1978 to disclose to purchasers and tenants knowledge of lead-based paint or lead-based paint hazards using a disclosure form, signed by both parties, attached to the sales contract or lease containing the required lead warning statement, provide any available records or reports, and give an EPA-approved pamphlet entitled “Protect Your Family from Lead in Your Home.” Sellers must also provide purchasers with an opportunity to conduct a lead-based paint inspection and/or risk assessment at the purchaser’s expense. Acceptable lead disclosure forms can be found at <http://www.hud.gov/offices/lead/disclosurerule> and www.epa.gov/lead/pubs/leadbase.htm.

After the settlement agreement was filed today, the United States Attorney’s Office issued the following statement: “Our office is committed to enforcing the Lead Disclosure Rule,” said Frank J. Magill Jr., Acting U.S. Attorney for the District of Minnesota. “This settlement, along with the previous six, is a clear reminder that landlords face stiff penalties if they fail to inform their tenants about potential lead hazards in their properties.”

Health Effects of Lead-Based Paint

Eliminating lead-based paint hazards in older low-income housing is essential if childhood lead poisoning is to be eradicated. Lead exposure causes reduced IQ, learning disabilities, developmental delays, reduced height, poorer hearing, and a host of other health problems in young children. Many of these effects are thought to be irreversible. In later years, lead-poisoned children are much more likely to drop out of school, become juvenile delinquents and engage in criminal and other anti-social behavior. As reported in the *New England Journal of Medicine*, researchers found that even at low levels, lead exposure in children can significantly impact IQ and even delay puberty in young girls.

At higher levels, lead can damage a child's kidneys and central nervous system and cause anemia, coma, convulsions and even death. According to the Centers for Disease Control and Prevention (CDC), about 310,000 of the nation's 20 million children under the age of 6 have blood lead levels high enough to impair their ability to think, concentrate and learn.

According to CDC estimates, the percentage of children with elevated blood lead levels has been cut by two-thirds since the early 1990s, although the prevalence of childhood lead poisoning in low-income, older housing without Federal assistance remains high. HUD estimates that the number of houses with lead paint has declined from 64 million in 1990 to 38 million in 2000. About 24 million homes have significant lead-based paint hazards.

HUD is the nation's housing agency committed to increasing homeownership, particularly among minorities; creating affordable housing opportunities for low-income Americans; and, supporting the homeless, elderly, people with disabilities and people living with AIDS. The Department also promotes economic and community development, and enforces the nation's fair housing laws. More information about HUD and its programs is available on the Internet at www.hud.gov and espanol.hud.gov. For more information about FHA products, please visit www.fha.gov.

##

The following properties are covered under today's settlement:

Property Name and Address		Owner	No. of Units
1.	3112 Minnehaha Avenue Minneapolis, MN	George L. and Toni Dufour Living Trust dated February 24, 2003	18
2.	Rustic Oaks* 1200 2 nd Avenue Fridley, MN	Edward Anderson dba Edric Associates	21
3.	2302 West 50 th Street Minneapolis, MN	50 th Penn, LLC	5
4.	4422-4430 Nicollet Ave. So. Minneapolis, MN	David C. Brown	24
5.	Hillsboro Townhomes 3503 Hillsboro Court No. New Hope, MN	Hillsboro Homes, LLC	18
6.	English Apartments 458-470 English St. St. Paul, MN	Richard O. Hanousek	36
7.	Camelot Apartments* 7540 Jersey Ave. No. Brooklyn Park, MN	Jersey Company	92
8.	408 Penn Ave. So. Minneapolis, MN	Victor Yalom	10
9.	Highland Terrace	Bisanz Family Limited	48

	1025-1045 and 1055 Cleveland Ave. So. St. Paul, MN	Partnership	
10.	Appleton Villa 615 East 16 th Street Minneapolis, MN	George L. and Toni Dufour Living Trust dated February 24, 2003	20
		Total	292

* Denotes properties found to be free of any lead-based paint.

Seven Consent Decrees Ordered in the Minneapolis Lead-Based Paint Enforcement Project

Consent Decree	Penalty	Number of Units to be Abated	Child Health Improvement Project Funded
Consent Decree #1 August 2004	\$10,000	4,474 units in 22 apartment buildings in Minnesota, Wisconsin, South Dakota and Indiana	\$70,000 to Sustainable Resources Center to fund lead-based paint hazard abatement for low-income homeowners.
Consent Decree #2 August 2004	\$2,000	22 units in 19 houses in Minnesota	N/A
Consent Decree #3 July 2005	\$5,000	40 units in 27 houses in Minnesota, Wisconsin and Indiana	N/A
Consent Decree #4 July 2005	\$7,500	208 units in 12 apartment buildings in Minnesota	\$50,000 to Sustainable Resources Center to fund a mobile blood testing "Leadie Eddie" van to test children throughout Minnesota for lead poisoning.
Consent Decree #5 March 2006	\$7,500	136 units in 11 apartment buildings in Minnesota	\$50,000 to Sustainable Resources Center to fund a mobile blood testing "Leadie Eddie" van to test children throughout Minnesota for lead poisoning.
Consent Decree #6 August 2006	\$5,000	34 units in 31 houses in Minnesota	N/A
Consent Decree #7 January 2008	\$7,500	179 units in 8 apartment buildings in Minnesota	\$50,000 to fund window replacement in low-income housing with young children through SPARC Window Replacement Program in the Thomasdale, Rice, and Lower East Side neighborhoods of St. Paul.
Totals	\$44,500	5,093 units	\$220,000